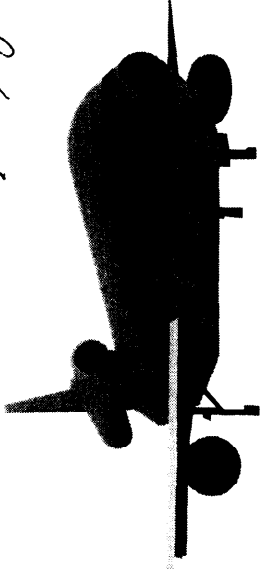


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FAA-00-7018-49



Interim Final Rule: Fees for FAA Services for Certain Flights

FAA Office of Financial Services

June 29, 2000

Overview

- ◆ **Authorizing Legislation**
- ◆ **Characteristics of the proposed Overflight Fees**
- ◆ **Where does the FAA provide Enroute and Oceanic ATC Services?**
- ◆ **How are the Overflight Fees derived?**
- ◆ **Schedule and Opportunities for Comment**

Authorizing Legislation

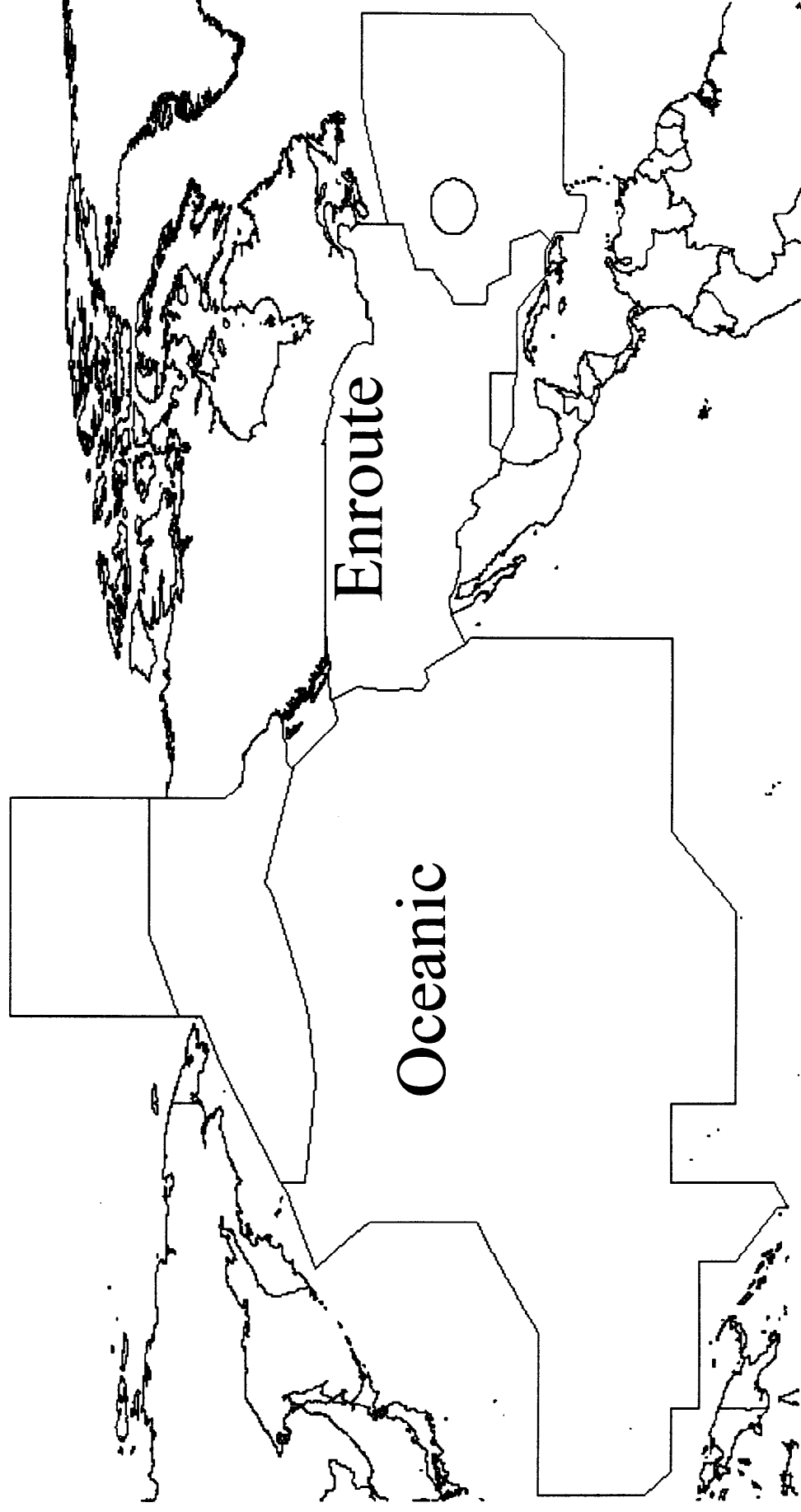
◆ *Federal Aviation Reauthorization Act of 1996*

- **Directs the FAA to establish a fee schedule and collection process related services provided to aircraft other than military and civilian aircraft of the United States government or of a foreign government that transits controlled airspace but neither take off from, nor land in, the United States.**
- **Directs publication of an Interim Final Rule, pursuant to which public comments should be obtained and a Final Rule issued.**

Characteristics Of The Proposed Overflight Fees

- ◆ **FAA expects to bill approximately \$40 Million annually in Overflight Fees.**
- ◆ **Overflight Fees are based on distance traveled in U.S.-controlled airspace (Enroute and Oceanic).**
- ◆ **Cost recovery is limited to only those costs determined to be directly related to the actual provision of Enroute and Oceanic air traffic control services.**
- ◆ **Separate fees are calculated for air traffic control services provided in Enroute and Oceanic environments (not including the cost of billing and collection).**
 - ✦ **Enroute Fee = Directly Related Enroute Costs/ Enroute Mileage**
 - ✦ **Oceanic Fee = Directly Related Oceanic Costs/Oceanic Mileage**

Where Does The FAA Provide Enroute And Oceanic ATC Services?



How Are The Overflight Fees Derived?

The Derivation Of The Overflight Fees Is A Four-Step Process

- 1. Determine Which Costs Are Directly Related To ATC Services**
- 2. Derive The Unit Cost Of Service**
- 3. Determine Total Costs Of Overflights**
- 4. Derive The Fee: Adjusting The Unit Cost To Include The Costs Of Billing**

Determine Which Costs Are Directly Related To ATC Services



	Enroute Costs	Oceanic Costs
Total ATC Costs	\$2,718,970,261	\$101,181,773
(-) Total Overhead Costs	\$326,616,676	\$7,059,377
= Total Directly Related Costs	\$2,392,353,585	\$94,122,396

Derive The Unit Cost Of Service

	Enroute	C
Directly Related ATC Costs	\$2,392,353,585	\$
Total annual GCD (nautical miles - nm)	6,619,138,872	4
Unit Cost (per 100 nm)	\$36.14	

Determine Total Costs Of Overflights (Excluding Public Use Aircraft)

	Enroute	Oceanic	Total
Annual Overflight GCD nm	81,417,450	98,897,076	
Unit Cost (per 100 nm)	\$36.14	\$19.47	
Total Cost Of Overflights	\$29,424,266	\$19,255,261	\$48,679,527

Derive the Fee: Adjusting The Unit Cost To Include The Costs Of Billing And Collections



	Unit Cost per 100 Nautical Miles	Scale Factor	Fee per 100 Nautical Miles (Including The Cost of Collections)
Enroute	\$36.14	1.036	\$37.43
Oceanic	\$19.47	1.036	\$20.16

Schedule And Opportunities Comment

- ◆ **Published in the Federal Register on June 6, 2000.**
- ◆ **Interim Final Rule and documentation in docket (FAA-2000-7018) :**
- ◆ **Public Meeting held on June 29, 2000.**
- ◆ **Interim fees go into effect on August 1, 2000.**
- ◆ **Comment to the docket; 120-day comment period, ending October**
- ◆ **Final Rule expected to be issued next year, based on public comment experience.**